

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350
Internet Address: <http://www.dps.state.ny.us>

PUBLIC SERVICE COMMISSION

MAUREEN O. HELMER
Chairman
THOMAS J. DUNLEAVY
JAMES D. BENNETT
LEONARD A. WEISS
DEALYN GALVIN



LAWRENCE G. MALONE
General Counsel

MARA RENNER
Acting Secretary

July 26, 2000

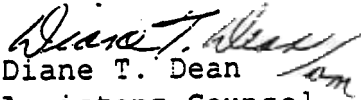
Hon. David Boergers
Secretary of the Commission
Federal Energy Regulatory Commission
888 First Street, N.E. Rm. 1A-13
Washington, D.C. 20426

RE: Docket Nos. CP98-150-000; CP98-151-000
Millennium Pipeline Company, L.P. -
Columbia Gas Transmission Corporation

Dear Secretary Boergers:

Enclosed for filing please find an original and 14 copies of
Intervenor New York Public Service Commission's (NYPSC) Comments
regarding Millennium Pipeline's Amendment to its Application. I
may be reached at 518-474-0071 if you have any questions.

Sincerely,


Diane T. Dean
Assistant Counsel
(518) 474-0071
DianeDean@dps.state.ny.us

Attachments

cc: David C. Pentzien, Vice President
Market Development
Columbia Gas Transmission
12801 Fair Lakes Parkway
P.O. Box 10146
Fairfax, VA 22030-0146

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

MILLENNIUM PIPELINE COMPANY, L.P. Docket No. CP98-150-000
COLUMBIA GAS TRANSMISSION
CORPORATION) Docket No. CP98-151-000

COMMENTS OF
INTERVENOR PUBLIC SERVICE COMMISSION
OF THE STATE OF NEW YORK

On June 28, 2000, Millennium Pipeline Company (Millennium) filed an amendment to its pending application in the above-referenced docket proposing a new route for its pipeline. The Public Service Commission of the State of New York State (PSCNY) hereby submits comments on the proposed amendment. Copies of all documents and correspondence should be sent to

Lawrence G. Malone
General Counsel
New York State Public
Service Commission
3 Empire State Plaza
Albany, New York 12223-1350

Phillip S. Teumim
Director, Ofc. Of Gas and Water
New York State Public
Service Commission
3 Empire State Plaza
Albany, New York 12223-1350

COMMENTS

On April 25, 2000, the PSCNY notified the Federal Energy Regulatory Commission (FERC, Commission) that the PSCNY and Millennium had identified an alternate route for Millennium's proposed pipeline through Westchester County, New York. The new route runs along Routes 9 and 9A and would supplant significant use of Consolidated Edison Company's

While the FERC has certified the Market Link pipeline, the PSCNY believes that certifying Millennium as well will encourage gas competition, which will lead to new electric generation.

Con Edison) electric transmission right-of-way. The amended route, with minor variations, reflects negotiations between the PSCNY and Millennium and, while not ideal, is acceptable. We urge the Commission to act expeditiously on Millennium's entire proposal and ask that Millennium's compliance with the Memorandum of Understanding entered into between Millennium and New York on April 18, 2000, and attached to Millennium's application as Exhibit Z-5, be adopted as a condition of certification by the Commission.

Many factors contribute to our concern that the Commission act quickly in reviewing Millennium's amended proposal. Primarily, the need for new pipeline capacity into New York City is critical. Capacity is so constrained that the market price for 5 months of firm primary point capacity into the New York City area for the coming winter has at times exceeded FERC's maximum estimated rate for 12 months of pipeline capacity. At the same time, demand for electricity in New York City has exceeded expectations and electric rates are rising due to constrained electric supply. For instance, in 1999, New York State reached an unprecedented peak demand of 30,311 MW, not expected until 2003. Assuming a continuation of this demand and to maintain reserves at target levels, New York City needs 300 MW of in-city generation immediately and 200 MW each year thereafter. This new generation must be within city limits because of transmission constraints and must be almost exclusively gas-fired because of environmental guidelines.¹

Finally, concerns have been raised about the disruption to the community during construction of the pipeline on the newly proposed route. These disruptions, however, would be short-lived. Conversely, the potential for disruption to New York City's electric supply if Con Edison's Westchester electric transmission corridor is used for the pipeline would exist both during construction and as long as the transmission route is used for electric and gas supply. See Emergency Motion of the Public Service Commission of the State of New York for leave to File an Answer and Supplemental Comments dated January 19, 2000, Docket Nos. CP98-150-000 and CP98-151-000. Therefore, the PSCNY supports Millennium's amended proposal.

Respectfully Submitted,



Lawrence G. Malone
General Counsel

Diane T. Dean
Assistant Counsel
Public Service Commission
of the State of New York
3 Empire State Plaza, 18th Flr.
Albany, New York 12223-1350

Dated: July 27, 2000
Albany, New York